

May 16, 2013

The Honorable Neil Abercrombie
Governor, State of Hawai'i
State Capitol
415 South Beretania Street
Honolulu, HI 96813

Dear Governor Abercrombie:

The Hawaii Government Employees Association, University of Hawaii Professional Assembly, United Public Workers, Hawaii Fire Fighters Association, State of Hawaii Police Officers Union and Hawaii State Teachers Association, respectfully request your veto of H.B. 65, which relates to the opting out of mail order pharmacy. We strongly oppose this bill and find it to have widespread negative impact to both the memberships that we serve and the larger community. We acknowledge the intent of the bill and its supporters, which have been addressed below; however, for the reasons stated below, we do not believe this bill will adequately address the concerns of its supporters and in certain circumstances result contrary to this bill's intent.

Both employer and employee representatives of the Employer-Union Trust Fund (EUTF), and the State of Hawaii Department of Budget and Finance have strongly opposed this bill. We along with these parties recognize that there is an overall negative impact that this bill will create for the 37,000 participating EUTF members and to the State of Hawaii as one of many employer groups in the State. The EUTF and other employer groups currently have the ability to design prescription drug plans that favor their employee beneficiaries as well as the employers themselves. There is a great value to the EUTF in having the ability to design plans with cost controls such as mail order options that benefit the greater majority of plan participants.

We understand from the EUTF that should even 20% of the current 37,000+ members opt out of mail order at a participating pharmacy network that was chosen by the EUTF through the procurement process, it would cost the plan approximately \$2.2 million more per year, which approximately \$1 million would be directly applied to the employee beneficiaries per year, leaving \$1.1 million in additional cost to the State of Hawaii.

The language in this bill also discontinues any discount in copayments to those who utilize the prescription drug plan the most due to their maintenance medication. Currently, the EUTF has designed the prescription drug plans to provide those who opt for the mail order service, to receive their 90-day maintenance medication at the cost of a 60-day copayment. This bill would not only affect all EUTF prescription plan participants in terms of total cost, but in addition, negatively impact those who need the coverage the most through increased copayments.

The intent of this bill also states that it would enable those who are more familiar with a beneficiary's medical history to better serve the beneficiary when obtaining prescription drugs. As stated in testimony by Kaiser Permanente, this bill would go against that very intent by disabling Kaiser's ability to fully utilize their electronic medical records that directly tie their pharmacy and physician to a patient's medical history. Physicians within Kaiser will be forced to handwrite prescriptions for their patients to go to any pharmacy. Unbeknownst to the patient who may want to fill their prescription at a non-Kaiser location, the pharmacist's ability to see all medications and physician's notes, will not be possible, and goes contrary to the intent of this bill.

The EUTF has designed the current plan where it does not mandate that a participant obtain their maintenance medication through mail order. Thus, participants are able to fill their maintenance medications through a participating pharmacy network and speak with a pharmacist in-person. It is also important to consider that the current EUTF contract with CVS Caremark provides participants to fill up to three 30-day supplies of medication at any network pharmacy. During this time, employees are able to have face-to-face interactions with pharmacists and should their physician make any change to their medication, including dosage, the employees are able to pick-up another three 30-day supply of medication at any network pharmacy.

Part of the intent of this bill is also to address access to pharmacies in remote locations. The concerns of these members may currently be addressed through the EUTF directly with its ability to make changes to its prescription drug plan design without being mandated by this bill. As described above, there are several serious concerns that the implementation of this bill will negatively have on all employees in the prescription drug plans and a large majority of employees who utilize maintenance medications the most.

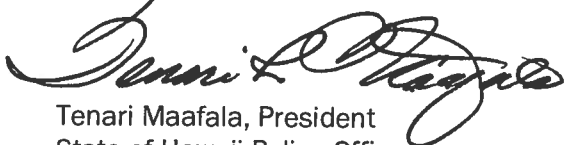
We strongly urge you to veto H.B. 65.



Dayton Makanelua, Executive Director
United Public Workers



Robert Lee, President
Hawaii Fire Fighters Association



Tenari Maafala, President
State of Hawaii Police Officers

Sincerely,



J.N. Musto, Executive Director
University of Hawaii Professional Assembly



Alvin Nagasako, Executive Director
Hawaii State Teachers Association



Randy Perreira, Executive Director
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